

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW JERSEY

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

EVEGENII ZAVODCHIKO, et al.,

Defendants.

CA No.

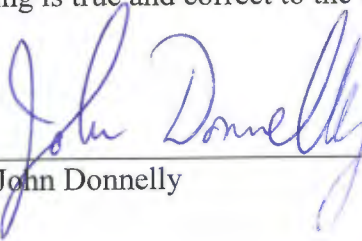
DECLARATION OF JOHN  
DONNELLY

I, John Donnelly, declare as follows:

1. I am counsel for plaintiff Securities and Exchange Commission (the “Commission”) in this action. I make this Declaration pursuant to Rule 65(b) of the Federal Rules of Civil Procedure.
2. Advanced notice of the filing of this action and the Commission’s request for emergency relief was not provided to defendants. As set forth in the Commission’s Complaint and the Declaration of Lynn O’Connor in this case and the pleadings filed in the related action, *SEC v. Dubovoy, et al.*, 15-cv-06076 (DNJ) (MCA), defendants perpetrated a fraudulent scheme to steal material nonpublic information from newswire services and then use the unfair advantage obtained from that information to profit through trading securities.
3. It is necessary to freeze the assets in the accounts of defendants in order to preserve the status quo and the Commission’s ability to recover both disgorgement of the ill-gotten gains and a civil penalty once the Commission prevails on its claims. Absent an asset freeze, there is risk that defendants, who are foreign nationals residing in Russia or entities operated from Russia, will attempt to transfer or otherwise dissipate those assets. To avoid providing defendants with an opportunity to attempt to transfer or otherwise dissipate their

assets, the Commission did not notify defendants of this action or its intent to seek a temporary restraining order freezing assets, granting other relief, and to show cause. The facts underlying this concern are described in more detail in the accompanying documents, including the Complaint; Motion for a Temporary Restraining Order Freezing Assets, Granting Other Relief, and to Show Cause; supporting Memorandum; and accompanying Declaration of Lynn O'Connor.

I declare under penalty of perjury under the laws of the United States of America, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct to the best of my knowledge, information and belief.

  
John Donnelly

Dated: February 17, 2016